

UNEMPLOYMENT INSURANCE  
QUARTERLY RESEARCH STATUS REPORT

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## I. UI RESEARCH AND DEVELOPMENT PROJECTS

### A. RESEARCH AND DEVELOPMENT PROJECTS

Study Title: Unemployment Insurance Performance Measurement Review Project

Purpose: To examine, evaluate and improve the mechanisms for performance measurement in UIS' oversight of State employment security agencies (SESA) UI programs. This project has been undertaken to ensure that the Secretary of Labor's statutory responsibilities for the administration and oversight of the UI programs are being carried out effectively, and are a part of ETA's ongoing efforts to increase the financial and operational flexibility in managing their UI programs. This is a multi-year project consisting of three phases. Phase I, the design stage, included the development of alternative performance measures and the design of a field test. Phase II, the current phase, is a field test of measures to determine their operational feasibility. Phase III will include training of SESA staff measurement system in SESAs.

Beginning Date: September 30, 1988

Ending Date: 1995 - begin Nation - wide implementation

Contractor: Phase II - Mathematica Policy Research, Inc.

UI Project Monitor: William Coyne

Status: Cooperative Agreements were signed with six pilot States in FY '92. The States are: New Hampshire, Illinois, Wisconsin, Kansas, Missouri and California. Mathematica Policy Research, Inc. is responsible for the evaluation of field test results. Twelve - fifteen months of performance data will be gathered beginning in July, 1993.

Funding Source: National Activities (Phase II)

Study Title: Employee Leasing Study

Purpose: The overall goal of this project is to determine the impacts of employee leasing on UI claimants and on the UI system. Specific objectives include whether employee leasing has led to experience rating manipulation, unpaid employer taxes and reduced UI grants as a result of fewer employers.

Beginning Date: June 1, 1993

Ending Date: June 30, 1996

Contractor: To be selected

UI Project Monitor: Norm Harvey

Status: The Statement of Work has been finalized and is being processed by ETA's contracting office. Action will then be taken to secure the services of a research contractor to collect the data and conduct the analysis.

Funding Source: OSPPD PY 1992 Research Funds

Study Title: Non-Filer Study

Purpose: Conduct a study to determine the magnitude and characteristics of the unemployed who do not apply for unemployment insurance (UI). Also, the study will determine the reasons these non-filers do not apply for UI and the proportion who would have been monetary eligible for UI had they applied.

Beginning Date: June 30, 1993

Ending Date: December 31, 1994

Contractor: Bureau of Labor Statistics (BLS) with the Bureau of the Census and selected States

UI Project Monitor: Wayne Zajac

Status: Interagency agreements have been completed with the Bureau of Labor Statistics and the Bureau of the Census to collect, process and analyze the data. Six States have agreed to provide wage record data to be used in determining monetary eligibility. BLS will begin data collection in 1993 using supplemental questions to the Current Population Survey (CPS). States will be requested to begin submitting their wage record data to Census at the end of fiscal year 1993.

Funding Source: OSPPD PY 1991 Research Funds

Study Title: The Effects of Raising the Taxable Wage Base

Purpose: The Department of Labor (DOL) wants to develop estimates of the extent employers would shift the taxes associated with an increase in the taxable wage base onto labor: Taking into account the micro and macro impacts of such a tax increase. Furthermore, DOL wants specific public finance estimates of firm behavior after a UI tax increase. The overall goal of this project is to

determine the dynamics of how firms behave when subject to an increase in UI taxes. The unit of analysis in this project will be the firm. The objectives of this project are:

1. What is the impact on firm behavior and how can this behavior be measured?
2. How can we best understand what happens when there are small and large increases in UI taxes?
3. Are there impact differences between low wage and high wage base firms?
4. Who ends up paying for the tax increase? (i.e., firms, workers, other firms, and/or consumers) The results of this study will be used to aid congressional and executive branch officials in making policy decisions concerning increases in the UI tax system.

Beginning Date: June 1, 1992

Ending Date: May 31, 1994

Contractor: KRA Corporation

UI Project Monitor: Steve Marler

Status: KRA has delivered a revised design and a literature review which is under review by Federal staff. KRA is proceeding to complete arrangements with sample States and beginning data collection.

Funding Source: OSPPD

Study Title: Alternatives for Financing Unemployment Insurance Trust Fund Debts

Purpose: This report examines alternative methods of financing State UI trust fund indebtedness. The two main options included are the title XII program and issuance of bonds by debtor States. This report will provide information on the two options, evaluate their respective strengths and weaknesses, review the recent history of State borrowing and bond issuance, and make some simulated cost comparisons. Finally the report will try to identify which alternative method of debt financing may be preferable to another.

Beginning Date: March 1, 1993

Ending Date: April 30, 1993

Contractor: Wayne Vroman of The Urban Institute

Project Monitors: Mike Miller/Rob Pavosevich

Status: A draft report has been submitted for comments and evaluation. A final product is expected upon return of these comments.

Funding Source: National Activities

Study Title: Extended UI Benefit Triggers

Purpose: To examine the implications of using alternative IUR and TUR based triggers for extended UI benefits. This examination of alternative triggers considers the degree to which alternative triggers and trigger rates would have provided extended benefits coverage to the UI population during the past decade, and how this extended benefits coverage would have been distributed by region, calendar quarter, and labor market. This examination also includes an analysis of alternative trigger rates and trigger definitions that in many cases include a "threshold" requirement - that is a requirement that the current IUR and TUR exceed 120 or 110 percent of the average rate in the corresponding period during the previous two years. This study was requested by members of the Senate Finance Committee in late 1991.

Beginning Date: August 1, 1992

Ending Date: April 30, 1993

Contractor: Mathematica Policy Research, Inc.

UI Monitor: Robert Pavosevich

Status: A final draft report has been submitted for comments and evaluation. A final version is expected upon return of these comments. The Secretary of Labor will transmit the final study to the Congress.

Funding Source: National Activities

Study Title: Revenue Quality Control Employer Compliance Pilot

Purpose: To test feasibility of determining the extent

registered UI employers comply with State laws  
regarding filing accurate contributions  
reports and payment of contributions due.

Beginning Date: October 1993

Ending Date: October 1994

Contractor: Abt Associates assisted in design; contractor  
to assist with implementation and perform  
evaluation yet to be selected.

UI Project Monitor: Burman Skrabble

Status: Preliminary design completed; State volunteers  
being solicited; OMB clearance being sought.

## **B. TECHNICAL ASSISTANCE PROJECTS**

Study Title: UC Auditor Training

Purpose: To develop and compile training materials to  
be used by the State agencies to train  
unemployment compensation tax auditors. The  
training will provide State UC tax auditors  
with a modular instruction program to  
supplement State specific programs.

Beginning Date: October 1, 1991

Ending Date: June 30, 1993

Contractor: Indiana Department of Employment and Training  
Services (IDETS)

Sub Contractor: White River Training Company, Indianapolis, IN.

UI Project Monitor: Neal Cook

Status: The training program is complete in draft and  
was field tested in a classroom setting with  
field auditors from several States. The  
program is now in the process of final  
editing. The final edited version will be  
presented to ETA for approval in April. Three  
Train-the-trainer sessions will be offered to  
the States in May and June to instruct State

trainers in how to incorporate the modules into existing State training programs for field auditors.

Funding Source: UI National Activities

Study Title : Benefit Payment Control (BPC) Technical Assistance Guide (TAG) and Training

Purpose: To examine, evaluate and identify successful and cost effective methods nationwide for operating benefit overpayment prevention, detection, recovery and prosecution system. The project will include an examination of the Automated Model Recovery and the Model Crossmatch Systems. A comprehensive BPC TAG, which serves both the intrastate and interstate programs, will be developed and associated training will be conducted for State BPC staff on the use of the newly developed TAG.

Beginning Date: October 1, 1991

Ending Date: Fiscal Year 1994

Contractor: Maryland Department of Economic and Employment Development

UI Project Monitor: Ginger Weight

Status: Maryland project staff received comments on the draft TAG from 11 SESAs and 2 Regional Offices. After incorporation of those comments, the TAG has been forwarded to the Philadelphia Regional Office and subsequently to the National Office for review. The State will be finalizing the TAG and developing a detailed training plan during the next quarter.

Funding Source: UI National Activities

## **II. UI DEMONSTRATION PROJECTS**

Study Title: Maryland Work Search Demonstration

Purpose: The overall goals of this project are to determine the impacts of various alternative work search requirements on UI claimants and on the UI system. Specific objectives include

whether increased work search stringency or relaxation speeds or hinders the return to work, and, if so, what are the impacts on the nature of the individual's job.

Beginning Date: September 27, 1991

Ending Date: March 31, 1995

Contractor: Maryland Department of Economic and Employment Development (DEED), with Abt Associates

UI Project Monitor: Wayne Zajac

Status: The project is behind schedule. Planning and preparation for the demonstration project has consumed more time than anticipated. Operational procedures are being finalized as is the content for the job search workshop component. Pilot phase activities started in March 1993. An evaluation of the pilot phase is scheduled for May 1993. Full-scale operations are now expected to start in June 1993 and continue for 12 months.

Funding Source: UI National Activities

Study Title: Massachusetts Self-Employment Demonstration Project

Purpose: To test self-employment as an alternative use of unemployment insurance. This project which was authorized by Congress will determine the effectiveness of providing self-employment assistance to interested UI claimants to help them start their own small business. Demonstration self-employment assistance will include biweekly self-employment allowance payments, business training, counseling, and supportive services.

Beginning Date: June 18, 1988

Ending Date: December 23, 1993

Contractor: Massachusetts Department of Employment and Training and Abt Associates, Inc.

UI Project Monitor: Jon Messenger

Status: The Third and final year of project implementation began in February 1992, and enrollment of new participants will continue



through May 1993. The Project is currently operating in seven local sites: Greenfield, Lowell, Milford, Northampton, Roxbury (Boston), Springfield, and Woburn. As of March 31, 1993, statistics for third year operations in the Massachusetts Project were as follows:

- \* 310 claimants had been randomly selected into the treatment group, which is receiving self-employment assistance.

- \* 310 claimants had been randomly selected into the control group

- \* 53 project participants who had completed the project have started businesses thus far.

An Interim Report on the demonstration was published in May 1992 as part of a UI Occasional Paper entitled Self-Employment Programs for Unemployed Workers. An initial impact evaluation for the demonstration will be completed by Fall 1993.

Funding Source: Administrative costs--State funds; Self Employment Grants--State UI Trust Fund (authorized by Congress under the demonstration legislation); Research and Evaluation--OSPPD funds.

Study Title: Washington Self-Employment Demonstration Project (SEED)

Purpose: To test self-employment as an alternative use of unemployment insurance. This project will determine the effectiveness of providing self employment assistance to interested UI claimants to help them start their own micro businesses. Demonstration self-employment assistance will include both lump-sum grants of business start-up capital and business training, counseling, and supportive services.

Beginning Date: September 30, 1987

Ending Date: December 1993

Contractor: Washington Employment Security Department and Abt Associates, Inc.

UI Project Monitor: Jon Messenger

Status: The demonstration project is currently in the evaluation phase.  
Final statistics on the Washington SEED Project are as follows:

- \* 755 claimants were randomly selected into the treatment group, which will receive demonstration self-employment assistance.
- \* 752 claimants were randomly selected into the control group.
- \* 450 participants received lump-sum self-employment grants averaging \$4,225 to start their business.

An Interim Report on the demonstration was published in May 1992 as part of an UI Occasional Paper entitled Self-Employment Programs for Unemployed Workers. An initial impact evaluation of the demonstration will be completed by Summer 1993.

Funding Source: Grants--ETA S&E; Research and Evaluation OSPPD funds.

Study Title: ES/WI Linkage Projects

Purpose: The demonstration project is a joint effort between UI and ES to explore the advantage(s) of having automated and integrated WI/ES applicant filing procedures and data bases. The marriage of the UI and ES data bases should benefit the claimant (increased opportunities for return to work, elimination of redundant requirements), employer community (quicker response time to requests for job applicants, enhanced quality of referrals, and reduced taxes through reduced duration) and the agency (improved public image, streamlining of traffic and receptions functions, cultivation of WI/ES coordination, and elimination of redundant data entry).

Beginning Date: October 1, 1991

Ending Date: November, 1993

Contractor: Alaska, Colorado, Missouri, Minnesota, and  
Virginia State employment security agencies

UI Project Monitor: Diane Wood/Wayne Zajac

Status: The States are in various stages of  
implementation. The College of William and  
Mary, under contract with the State of  
Virginia, is responsible for an analysis and  
evaluation of the demonstration projects and  
has submitted an evaluation design for  
approval. Plans are being discussed regarding  
presentation of the project (s) at some future  
meeting which will include SESA participation.

Funding Source: ES National Activities

Study Title: New Jersey Follow-up Study II

Purpose: To conduct a second follow-up study of the  
long-term earnings and UI program impacts on  
selected participants in the New Jersey  
Reemployment Demonstration Project (NJUIRDP).  
Treatment services were: (1) Job search  
assistance (JSA); (2) JSA with training or  
relocation allowance; and (3) JSA combined  
with a reemployment bonus. Results from the  
original NJUIRDP showed that job search  
assistance alone was the most effective  
treatment service. A follow-up study was  
completed in 1990 and indicated that the  
treatment service impacts to be measured over  
a seven-year period and during different  
economic conditions. Results will be very  
useful in analyzing the long-term impacts of  
the treatment services.

Beginning Date: June 30, 1992

Ending Date: December 30, 1994

Contractor: New Jersey Department of Labor with  
Mathematica Policy Research, Inc.

UI Project Monitor: Wayne Zajac

Status: New Jersey Department of Labor (NJDOLE) is  
finalizing a contract with Mathematica Policy  
Research, Inc. (MPR) to analyze and evaluate

the data. NJDOL has begun to assemble the needed data from its wage and benefit records and will provide this data to MPR for analysis by June 1993. Preliminary results are expected by June 1994.

Funding Source: Unemployment Insurance Research and  
Training(UI R&T)